

**SENIOR CITIZENS
OUTREACH ENTITY, INC.
(A NONPROFIT ORGANIZATION)**

**Financial Statements
For the Year Ended
December 31, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

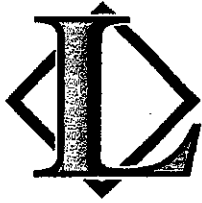
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SENIOR CITIZENS OUTREACH ENTITY, INC.
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS
December 31, 2004

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LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Senior Citizens Outreach Entity, Inc.
Richwood, Louisiana

We have audited the accompanying statement of financial position of Senior Citizens Outreach Entity, Inc. (a Nonprofit Organization) as of December 31, 2004, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Senior Citizens Outreach Entity, Inc. as of December 31, 2004, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2005, on our consideration of Senior Citizens Outreach Entity, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Board of Directors
Senior Citizens Outreach Entity, Inc.
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Our audit was performed for the purpose of forming an opinion on the basic financial statements of Senior Citizens Outreach Entity, Inc. taken as a whole. The accompanying supplementary information included on pages 13-14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

Little & Associates LLC

Monroe, Louisiana
June 29, 2005

SENIOR CITIZENS OUTREACH ENTITY, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2004

Assets

Cash	\$ 66,032
Account Receivable	69,407
Property and Equipment:	
Furniture and Equipment	19,836
Leasehold Improvements	<u>51,420</u>
Total	71,256
Less Accumulated Depreciation	<u>(63,757)</u>
Net Property and Equipment	<u>7,499</u>
 Total Assets	 \$ <u><u>142,938</u></u>

Liabilities

Accounts Payable	\$ <u>424</u>
 Total Liabilities	 424

Net Assets

Unrestricted	<u>142,514</u>
 Total Liabilities and Net Assets	 \$ <u><u>142,938</u></u>

The accompanying notes are an integral part of these financial statements.

SENIOR CITIZENS OUTREACH ENTITY, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Contracts:			
State of Louisiana Governor's Office of Elderly Affairs	\$ 170,065	\$ -	\$ 170,065
Grants:			
Hampeco, Inc.	17,500	-	17,500
Donated Use of Facility	36,000	-	36,000
Contributions	1,049	-	1,049
Other Income	8,079	-	8,079
Interest Income	<u>342</u>	<u>-</u>	<u>342</u>
Total Support and Revenue	<u>233,035</u>	<u>-</u>	<u>233,035</u>
Expenses			
Programs	112,421	-	112,421
Supporting Services:			
Management and General	<u>58,330</u>	<u>-</u>	<u>58,330</u>
Total Expenses	<u>170,751</u>	<u>-</u>	<u>170,751</u>
Change in Net Assets	62,284	-	62,284
Net Assets at Beginning of Year	<u>80,230</u>	<u>-</u>	<u>80,230</u>
Net Assets at End of Year	\$ <u><u>142,514</u></u>	\$ <u><u>-</u></u>	\$ <u><u>142,514</u></u>

The accompanying notes are an integral part of these financial statements.

SENIOR CITIZENS OUTREACH ENTITY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2004

	Program Services	Supporting Services Management and General	Total
Alarm System	\$ -	\$ 359	\$ 359
Advertising	-	350	350
Bank Charges	-	267	267
Contract Services	7,741	13,762	21,503
Depreciation	-	1,100	1,100
Donated Use of Facility	32,400	3,600	36,000
Dues	-	45	45
Education	-	1,500	1,500
Insurance	-	656	656
Meals	28,649	195	28,844
Office Expense	-	1,234	1,234
Office Supplies	-	159	159
Other Expenses	-	2,699	2,699
Payroll	25,460	14,952	40,412
Professional Fees	-	5,000	5,000
Other Program Expenses	766	-	766
Repairs and Maintenance	-	1,791	1,791
Supplies	4,530	941	5,471
Subscriptions	135	-	135
Taxes - Payroll	2,008	1,179	3,187
Technical Support	-	150	150
Telephone	-	3,497	3,497
Transportation	10,067	-	10,067
Utilities-Water, Gas, Electric, Cable	665	4,894	5,559
	<u>\$ 112,421</u>	<u>\$ 58,330</u>	<u>\$ 170,751</u>

The accompanying notes are an integral part of these financial statements.

SENIOR CITIZENS OUTREACH ENTITY, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2004

Operating Activities

Change in Net Assets	\$	62,284
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		1,100
(Increase) Decrease in Account Receivable		(24,889)
Increase (Decrease) in Accounts Payable		(2,183)
Net Cash Provided By Operating Activities		<u>36,312</u>

Investing Activities

Purchase of Property and Equipment		<u>(1,579)</u>
Net Cash Used By Investing Activities		<u>(1,579)</u>

Net Increase in Cash and Cash Equivalents		34,733
Cash and Cash Equivalents at Beginning of Year		<u>31,299</u>
Cash and Cash Equivalents at End of Year	\$	<u><u>66,032</u></u>

Disclosure of Accounting Policy

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The accompanying notes are an integral part of these financial statements.

SENIOR CITIZENS OUTREACH ENTITY, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Senior Citizens Outreach Entity, Inc. (the Organization) is a not-for-profit organization established to enhance the quality of life for senior citizens as it relates to education, health care, economic development and recreational activities. The Organization, which was founded in 1997, provides services to senior citizens residing primarily in the Richwood, Louisiana area and operates under a contract with the Ouachita Council on Aging.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with U.S. generally accepted accounting principles.

FINANCIAL STATEMENT PRESENTATION

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. These three classes of net assets are described as follows:

Unrestricted Net Assets – consists of assets, public support, and program revenues which are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Temporarily Restricted Net Assets – includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the organization.

Permanently Restricted Assets – includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the organization to expend all or part of the income derived from the donated assets.

PERVASIVENESS OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SENIOR CITIZENS OUTREACH ENTITY, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004

CONTRIBUTIONS

The Organization follows SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

CASH AND OTHER DEPOSITS

At December 31, 2004, the Organization maintains three bank accounts at American Horizons Bank. Accounts at the financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000.

PROPERTY, EQUIPMENT, AND DEPRECIATION

Furniture and equipment acquired by the organization and leasehold improvements made by the organization are recorded at cost. Property and equipment donated to the organization are recorded at fair value. Property and equipment purchased or donated with a cost or value exceeding \$250 and having a useful life of more than one year are capitalized. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities. The Organization is not permitted to dispose of property and equipment without the consent of the Ouachita Council on Aging and/or various state agencies.

SUPPORT AND REVENUE RESTRICTIONS

The Organization reports support and revenue that is restricted by the donor as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When the restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

SENIOR CITIZENS OUTREACH ENTITY, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004

EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and the supporting services benefited.

INCOME TAX STATUS

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and is classified as other than a private foundation.

NOTE 2 – REVENUE AND SUPPORT

The Organization's primary source of support and revenue for the programs and the administration of the Organization are through grants received from the State of Louisiana Governor's Office of Elderly Affairs (Office of Elderly Affairs) and Hampco, Inc., a not-for-profit organization. Grant funds received from the Office of Elderly Affairs are passed-through from the Ouachita Council on Aging in accordance with the Organization's contract with the Ouachita Council on Aging.

NOTE 3 – DONATED USE OF FACILITY

The organization performs administrative functions and provides the majority of its programs in a facility, the use of which is donated by Hampco, Inc. Hampco, Inc. leases the facility from Pleasant Green Baptist Church, Inc. The annual lease amount under such lease agreement is \$36,000.

NOTE 4 – PROGRAM EXPENDITURES

The Organization operates several programs designed to satisfy the needs of senior citizens in Richwood, Louisiana.

The programs operated by the Organization are described as follows:

Meals on Wheels – The program provides food for those senior citizens who are unable to provide a healthy diet for themselves. Meals are served on-site and at the homes of sick and shut-in individuals, who are unable to come on-site to participate in the program.

Transportation – The program is designed to ensure that senior citizens participating in the program can have a safe reliable means of transportation to various civic organizations, to pay bills, to and from the organization's on-site location, to and from medical appointments, and for various other activities.

SENIOR CITIZENS OUTREACH ENTITY, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 4 – PROGRAM EXPENDITURES (CONTINUED)

Recreational and Educational Activities – The program includes, but is not limited to, on site resource presenters who inform the senior citizens about health concerns affecting the elderly. Volunteers oversee survival skill activities such as grocery shopping, visits to the doctor, and paying bills. Also, various recreational activities, which include crafts and other interests, are provided on-site in order to promote social grouping, individual activities and day-to-day interaction in a safe and accommodating environment.

NOTE 5 – OPERATING LEASE

In 1998, the Organization entered into a cancelable lease agreement with St. James Missionary Baptist Church. In accordance with the terms of the lease agreement, the church leases the use of a van to the Organization for \$500 per month excluding holidays. The total amount paid under this lease during the year ended December 31, 2004, was \$5,568. The lease expense for the van is reported in transportation costs in the statement of functional expenses.

NOTE 6 – FINANCIAL INSTRUMENTS

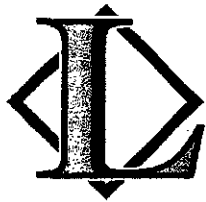
COLLATERALIZATION POLICY

The Organization does not require collateral to support financial instruments subject to credit risk.

CONCENTRATIONS

The Organization's primary source of current funding is through a grant received from the Office of Elderly Affairs. The grant agreement expires on June 30, 2005; however, it is anticipated that the Organization will receive a new grant through the Office of Elderly Affairs. Such grant will be for the period July 1, 2005, through June 30, 2006.

OTHER INDEPENDENT AUDITORS' REPORT



LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
Government Auditing Standards

WM. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

The Board of Directors
Senior Citizens Outreach Entity, Inc.
Richwood, Louisiana

We have audited the basic financial statements of the Senior Citizens Outreach Entity, Inc. as of and for the year ended December 31, 2004, and have issued our report thereon dated June 29, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Senior Citizens Outreach Entity, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Senior Citizens Outreach Entity, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Board of Directors
Senior Citizens Outreach Entity, Inc.

This report is intended solely for the information and use of the management of the Organization, the Ouachita Council on Aging, the State of Louisiana Governor's Office of Elderly Affairs and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Little + Associates, LLC

Monroe, Louisiana
June 29, 2005

SUPPLEMENTARY INFORMATION

SENIOR CITIZENS OUTREACH ENTITY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2004

We have audited the financial statements of Senior Citizens Outreach Entity, Inc. as of and for the year ended December 31, 2004, and have issued our report thereon dated June 29, 2005. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2004, resulted in an unqualified opinion.

Section I Summary of Auditors' Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable Conditions ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

b. Federal Awards

Senior Citizens Outreach Entity, Inc. did not receive any Federal Awards nor did it expend any funds under a Federal Awards Program. Thus, this section is not applicable.

Section II Financial Statement Findings

Senior Citizens Outreach Entity, Inc. did not have any financial statement findings for the year ended December 31, 2004.

Section III Federal Award Findings and Questioned Costs

Senior Citizens Outreach Entity, Inc. did not receive any Federal Awards nor did it expend any funds under a Federal Awards Program. Thus, this section is not applicable.

SENIOR CITIZENS OUTREACH ENTITY, INC.

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2004

SECTION I -- INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

There were no prior year findings.

SECTION II -- INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A -- Senior Citizens Outreach Entity, Inc. did not receive any Federal Awards for the year ended December 31, 2003.

SECTION III - MANAGEMENT LETTER

There were no prior year findings.